

## U.S. WTO AGRICULTURE PROPOSAL

The U.S. proposal builds on the structure of the existing WTO rules for agriculture and identifies a framework and ambitious reform goals with the objective of substantially reducing high levels of protection and support that disadvantage U.S. farmers, ranchers and processors.

### *KEY ELEMENTS OF THE U.S. PROPOSAL:*

- substantial reductions in all tariffs and increases in all tariff-rate quotas, in all markets;
- elimination of export subsidies;
- disciplines on the use of export restrictions and embargoes on agricultural products;
- disciplines on state trading enterprises;
- simplification of rules applying to domestic support, and establishment of a ceiling on trade-distorting support that applies equally to all countries; and
- rules to ensure market access for products of new technologies.

The United States proposal:

- is a framework for reform, to be amplified with more specific approaches by next spring,
- is comprehensive, with proposals addressing trade-distorting measures in each of the areas of market access, export competition, and domestic support;
- is reformist, calling for elimination of export subsidies and substantial reductions in tariffs and trade-distorting domestic support;
- addresses disparities in allowed levels of protection and support, focusing on bringing down high tariff and excessive trade-distorting subsidies that benefit our competitors and keep us out of foreign markets;
- will simplify world trade in agriculture by closing loopholes that allow countries to maintain high subsidy levels and complicated tariff and customs procedures;
- affords flexibility to the U.S. Congress as it prepares for the next Farm Bill by allowing for unlimited rural and farm support through non-trade-distorting programs and allowing a continuation of trade-distorting subsidies at more equal levels;
- encourages resource conservation and environmental protection programs;
- is proportionate, the more trade-distorting the measure, the deeper the reform:
  - N *elimination* of export subsidies,
  - N *substantial reforms* in *border protection* through an aggressive approach that will put pressure on countries with high tariffs in agriculture,
  - N establishing a *shared standard* for the level of *trade-distorting domestic support*,
  - N *continuing availability* of *export credit* and *food aid programs*,
  - N and allowing *unlimited* amounts of support through *non-trade-distorting* measures;
- is balanced, calling for substantial reforms that can be realistically and expeditiously achieved in this round of negotiations.

**Background:** WTO agriculture negotiations were mandated to begin this year under the provisions of the Uruguay Round agreement in 1994. WTO members set a deadline of the end of the year for initial negotiating proposals, with latitude for countries to amend and amplify their initial proposals in the first quarter of 2001.

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